

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
EASTERN DIVISION
CASE NO. 4:05-CV-00152-F(3)**

RUSSELL TODD HUTTENSTINE, RONALD
A. SCHINDELER, ROBERT G. COLE, JAMIE
SLAUGHTERBECK, THOMAS FORTANIER,
and WILLIAM SCHUTTER, on behalf to
themselves and all other similarly situated,

Plaintiffs,

v.

DENNIS MAST, GEORGE A. MOORE,
SHANE TRAVELLER, ROSS W. SMITH,
HYDROFLO, INC., and METALS AND
ARSENIC REMOVAL TECHNOLOGY, INC.,

Defendants.

CLASS ACTION

ORDER AND JUDGMENT

WHEREAS, in this securities fraud class action, Lead Plaintiffs Ronald A. Schindeler, Robert G. Cole, Jamie Slaughterbeck, and William Schutter (collectively "Lead Plaintiffs") and Defendants Dennis Mast, George A Moore, Shane Traveller, Ross W. Smith, HydroFlo, Inc., and Metals and Arsenic Removal Technology, Inc. (collectively "Defendants") executed a Stipulation and Agreement of Settlement, dated November 17, 2007 (the "Stipulation");

WHEREAS, on November 28, 2007 Lead Plaintiffs filed a Stipulated Motion for Preliminary Approval of Class Action Settlement together with, *inter alia*, the Stipulation [DE-66,67];

WHEREAS, the Stipulation provided that the Defendants shall pay \$425,000 in cash into an escrow account to settle this action on a class-wide basis and would be governed by North Carolina law [DE-66, ¶¶ C1, M10];

WHEREAS, January 14, 2008 this Court entered an Order of Preliminary Approval of Settlement [DE-75] (the "Preliminary Approval Order") preliminarily approving the class action settlement on behalf of a class consisting of "all persons who acquired any common stock of HydroFlo, Inc. (HydroFlo) during the period from July 18, 2005, through and including October 26, 2005 and were damaged thereby. Excluded from the Class are the Defendants and all current and former officers and directors of Defendants, and the members of their immediate families and Defendants legal representatives, heirs, predecessors, successors and assigned and any entity in which any Defendant has or had a controlling interest or is a parent or subsidiary of or its controlled by HydroFlo, and any persons who have separately filed action against one or more of the Defendants based in whole or in part on any claim arising out of or relating to any of the acts, omissions, misrepresentations, facts, events, matters, transactions or occurrences referred to in the Action or otherwise alleged, asserted or contended in the Action. Also excluded from the Class are those persons who file valid and timely requests for exclusions in accordance with this Order." [DE-75, ¶ 3];

WHEREAS, pursuant to the Stipulation, Defendants were obligated to pay the full settlement amount of \$425,000 in cash to an escrow account on or before January 28, 2008;

WHEREAS, on February 12, 2008 Lead Plaintiffs filed a motion seeking, *inter alia*, enforcement of the terms of the Stipulation because Defendants had not paid the settlement amount of \$425,000 into escrow [DE-77];

WHEREAS, on March 20, 2008 the Court entered an Order, dated March 19, 2008, enforcing the Stipulation of Settlement and directing each of the Defendants to pay the settlement amount of \$425,000 in cash into escrow within 10 business days from filing date of the Order (the "Enforcement Order") [DE-92];

WHEREAS, the Enforcement Order provided that if Defendants failed to tender the entire amount due within the prescribed time period that: "Lead Plaintiffs shall submit a proposed Judgment joint and severally against the Defendants for the \$425,000 due under the Stipulation, plus interest at the legal rate per annum from January 28, 2008, less any amounts actually paid by Defendants into the Settlement Fund." [DE-92, p. 15]

WHEREAS, the time for Defendants to pay the settlement amount has come and passed and no funds have been paid by the Defendants;


NOW, THEREFORE, IT IS HEREBY ORDERED ADJUDGED AND DECREED:

1. Lead Plaintiffs Ronald A. Schindeler, Robert G. Cole, Jamie Slaughterbeck, and William Schutter, individually and on behalf of the class shall recover from Defendants Dennis Mast, George A Moore, Shane Traveller, Ross W. Smith, HydroFlo, Inc., and Metals and Arsenic Removal Technology, Inc., jointly and severally, the principal sum of \$425,000.00, plus prejudgment interest of \$6,613.70 representing accrued interest thereon at the legal rate of eight percent (8%) per annum from January 28, 2008 through April 7, 2008.

2. Postjudgment interest is payable on all the above amounts at the legal rate from the date of this judgment.

3. There is no just reason for delay in the entry of this Order and Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54 (b) of the Federal Rules of Civil Procedure.

IT IS SO ORDERED, this 9th day of April, 2008.



HONORABLE JAMES C. FOX
UNITED STATES DISTRICT JUDGE